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Progress with national implementation plans for the System of National Accounts

Implementation of the System of National Accounts 2008 and the Government Finance Statistics Manual: Main conclusions of the workshop for the countries of Eastern Europe, Caucasus and Central Asia and South East Europe

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Summary

The workshop on the Implementation and Links between the System of National Accounts 2008 and the Government Finance Statistics Manual 2014 was organized following the recommendations of the Group of Experts on National Accounts and as a part of the regional initiatives to support the implementation of the new statistical standards in the countries of Eastern Europe, Caucasus and Central Asia and South East Europe. It also aimed at strengthening the cooperation between the national accounts and government finance statistics compilers. This paper summarises the main conclusions and recommendations of the workshop.

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I. Introduction

1. The workshop on the Implementation and Links between the System of National Accounts 2008 (2008 SNA) and the Government Finance Statistics Manual (GFSM) was held in Istanbul on 20-22 November 2013. It was jointly organized by the European Free Trade Association (EFTA), Eurostat and UNECE, in cooperation with the International Monetary Fund (IMF) and the Turkish Statistical Office (Turkstat).

2. The workshop was attended by participants from the National Statistical Offices (NSOs) and Ministries of Finance or Central Banks from the following countries: Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Croatia, Georgia, Kazakhstan, Kyrgyzstan, Mongolia, Montenegro, Serbia, Tajikistan, The former Yugoslav Republic of Macedonia, Republic of Moldova, Tajikistan, Turkey, Turkmenistan, Ukraine and Uzbekistan, and representatives from the Statistical Agency of Kosovo, the Eurasian Economic Commission (EEC), Interstate Statistical Committee of the Commonwealth of Independent States (CIS-STAT) and the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP).

II. Organization of the workshop

3. The workshop was prepared following the recommendations of the Group of Experts on National Accounts (April 2012, Geneva) and is part of the regional initiatives to support the implementation of the System of National Accounts 2008 (2008 SNA)/ European system of national and regional accounts (ESA 2010) and the Government Finance Statistics Manual 2014 (GFSM 2014) in the countries of Eastern Europe, Caucasus and Central Asia (EECCA) and South East Europe (SEE). Its main goal was to strengthen the cooperation between the national accounts and government finance statistics compilers and to discuss the implementation and links between the 2008 SNA, ESA 2010 and the GFSM.

4. The following substantive topics were discussed on the basis of presentations and supporting documentation:

(a) Coherent and integrated macroeconomic statistics for policy purposes;

(b) Implementation of the revised international statistical standards: 2008 SNA, ESA 2010 and GFSM 2014;

(c) Main issues and way forward.

5. All materials of the workshop are available at:
http://www.unece.org/stats/documents/2013.02.sna.html

III. Summary of the main conclusions reached at the workshop

6. The participants of the workshop:

(a) *Recognized* that the efficient implementation of the 2008 SNA and GFSM 2014 requires close cooperation between the national statistical offices, ministries of finance and/or central banks and other statistical stakeholders.

(b) *Recommended* that countries should establish permanent inter-institutional working groups (IWG) to facilitate coordinated and coherent implementation of the 2008 SNA and related macroeconomic standards, particularly BPM6 and GFSM. In respect to the IWGs the participant also noted that:

- The IWG should be at the level of heads of respective divisions/units in the national statistical institutes, ministries of finance and/or central banks, who are able to take decisions for the statistical methodology and compilation techniques. Other relevant departments/institutions could also be involved;

- When needed, the IWG could be supported by more technical experts groups addressing concrete issues;

- The IWG should have an agreed mandate, specifying the tasks and objectives, lead institutions on each task, timeframe, reporting obligations, as well as the type of decisions they can take and implement.

(c) *Stressed* the importance of high-level support for the functioning of the IWG at the managerial level of the respective institutions. This support should facilitate the exchange of data and ensure the implementation of the main decisions of the IWG. The cooperation should preferably be defined in a memorandum of understanding or other form of formal agreement between the institutions.

(d) *Emphasized* the role of international organizations to promote and strengthen the institutional cooperation in the countries by:

- Requesting that any decisions affecting statistics on the government sector are systematically discussed and agreed between the MoF, Statistical offices, national banks and other partner organizations in the country;

- Involving participants from all concerned organizations during technical assistance activities;

- Providing training and forums to share good practice.

(e) *Recommended* that the institutional sector classification should be consistently applied in national accounts, government finance statistics and related macroeconomic data sets. The national statistical offices should have a leading role in ensuring that SNA concepts, notably as far as the market/non market units distinction is concerned, are used as underlying principles for the sectorization and harmonization across statistical systems.

(f) *Underlined* that an agreed list of the units in the government sector and sub-sectors is the first step to ensure the required necessary quality, coverage and coherence of all government sector statistical data sets. In respect to the institutional sector classification the participants also noted that:

- The list of general government units and their sub-sectorization could be discussed and agreed by the IWG;

- Rules for maintenance and regular updates of the list of government units should be established;

- The statistical business register is the appropriate tool/or should provide the infrastructure though which agreed institutional sector classification (and related classifications) is consistently used by all compilers of statistics. This may involve resolving a number of technical issues as well as establishing access rules, addressing confidentiality and legislative issues;

- Technical support and a platform for sharing good practices are needed to help countries to address the above issues.

(g) *Encouraged* countries to put in place full set of accounts for the governments sector and highlighted the importance of reconciliation between national accounts and government finance statistics. Reconciliation is a powerful tool to identify data gaps and methodological problems and to improve the quality of both macroeconomic data sets.

(h) In addition to the main priorities listed above, *identified* the areas where further work is important:

- Improving the availability, quality and timeliness of data sources;
- Harmonization of the national accounting practices with internationally agreed standards;
- Implementation of accrual recording for all expenditure and revenue;
- Improvements in the used classification of transactions and assets;
- Development of balance sheets and estimates of capital formation and consumption of fixed capital of government units.

(i) *Highlighted* the need of proper documentation of main decisions, methodological and data issues, in order to ensure continuity of work, transparency and transfer of knowledge.

(j) *Recognized* the need of good communication strategy on the relevance and importance of government sector statistics for evidence based policy making.

(k) *Welcomed* the proposal to post the responses to the questionnaires "Institutional arrangements and methodological issues in the compilation of statistics on the General Government Sector" in order to allow countries to learn from each other experience. UNECE will translate all replies and will send them to the countries for verification.